



WEEKLY PUBLIC & AFFORDABLE HOUSING COMMITTEE SUMMARY REPORT

June 18, 2009

NSP – 2 Updates: Application deadline is July 17. Target submission date is July 15 or sooner. NSP-1 bridge notice was released this week. Purchase discount requirement modified from 5-15% to 1% per property means 99% of the appraised value can be offered on any property acquired with NSP funds. Income generated can now be retained and reprogrammed but must be spent before additional NSP funds are drawn down. The 18-month obligation deadline also applies to any income generated which creates a challenge.

The regs for NSP 1 & 2 have been reconciled but not across the board. The Dept. for Local Government offered statewide NSP training and interpretation last week. NSP defines foreclosed properties as those where the title transfers from the owner and back to the bank or lender that foreclosed. If private individuals or third parties buy those properties out of auction then they are not eligible for NSP. Those are considered abandoned properties, not foreclosed. Only properties available to the city's application will be REOs (Real Estate Owned) bank portfolios. Other requirements pertain to abandoned properties. Must verify property has been vacant 90 days, no mortgage payments or tax payments made for 90 days and a notice of acquisition must be sent to the "original" owner and verified that they received it. May need to request waivers from HUD on this interpretation.

Under the redevelopment category, there are 100 properties, both residential and commercial, that are vacant and not affected by foreclosures which could be targeted for acquisition. NSP 2 end use must be housing while NSP 1 still includes public facility improvement in conjunction with CDBG funding. This helps stabilize neighborhoods.

The State's invitation to join their NSP 2 application is still on the table. State hasn't outlined how they would allocate the funds to the various partners. They are requesting proposals be submitted from local governments and consortiums within a two-week period.

The local consortium has three administrative partners: Metro Louisville, LMHA and New Directions; nonprofit partners: YouthBuild, River City Housing, Habitat and the Fuller Center; and large contractor partners: Home Builders Association and LREDC. All narratives and data are due to Jeana Dunlap by June 26. A draft should be ready by July 1 which allows a two-week review and comment period before submission on July 15. Application is limited to 40 pages. NSP 1 has an 18-month obligation deadline but NSP 2 has an expenditure deadline of 50% spent within 2 years and 100% spent in three years.

Public Housing Capital - Competitive Update: Applications will be prepared for Categories 1 and 4. Category 1 is a smaller application for rehab of disabled/elderly units. Applications are mostly check boxes and are due July 21. Ordinals will be assigned beginning July 6 but applications can be submitted as late as August. Category 4 is for "green" projects. Not much text on these applications just meeting threshold requirements.

Public Housing Capital – Fixed Update: LMHA received \$14 million and \$7.5 million has already been spent on shovel ready projects. That puts LMHA way ahead of colleagues and can be beneficial in being awarded any funds that might be recaptured from other PHAs who can't use the money.